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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

O/CONGRESSIONAL AFFAIRS
87-4077

September 23, 1987

LEGISLATIVE REFERRAL MEMORANDUM

SPECIAL

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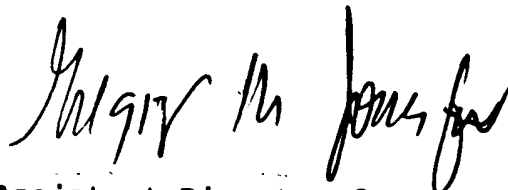
OCA FILE LEG

SUBJECT: General Services Administration draft bill -- "To remove the requirement that long-distance telephone bills be certified by agency heads."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with Circular A-19.

Please provide us with your views no later than October 20, 1987

Direct your questions to Gregory Jones (395-3454), of this office.


Assistant Director for
Legislative Reference

Enclosures

cc: David Haun
Bruce McConnell
Ed Springer
Ed Rea

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389-3831

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Administrator
General Services Administration
Washington, DC 20405



DRAFT

Dear Mr. President:

There is transmitted herewith, for referral to the appropriate committee, a draft bill, "To remove the requirement that long-distance telephone bills be certified by agency heads."

In March 1987, the General Services Administration (GSA) Office of Inspector General, on behalf of the President's Council on Integrity and Efficiency, issued a consolidated report on the results of a review by 17 agencies of Federal Telecommunications System (FTS) utilization. The purpose of the review was to identify opportunities to more effectively and efficiently manage telecommunications resources. As part of that review, it was determined that existing management controls over the utilization of long-distance telecommunications services were both inadequate and ineffective in preventing or detecting unofficial calls.

As a result, one of the recommendations proposed in the final report was the deletion of section 1348(b) of title 31, dating back to 1939, because it was not considered a cost-effective method of controlling long-distance telephone costs. Section 1348(b) of title 31 states that:

"Appropriations of an agency are available to pay charges for a long distance call if required for official business and the voucher to pay for the call is sworn to by the head of the agency. Appropriations of an executive agency are available only if the head of the agency also certifies that the call is necessary in the interest of the Government."

Because of the requirements of this section, a disproportionate amount of an agency's resources is required to certify for payment commercial long-distance calls, even though their number and cost are insignificant when compared to alternate sources of long-distance telecommunications services such as the FTS intercity network.

The review further revealed that agencies generally were not verifying commercial long-distance calls as required by this provision. Ten of the 15 agencies participating in this particular aspect of the review identified weaknesses that hindered the verification process for commercial long-distance calls. Six agencies routinely were not distributing call detail reports of telephone usage for review. In other instances, distributed call detail reports were either not reviewed or not returned upon verification. As a result, few unofficial calls

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were identified and collections from employees for unofficial calls were minimal.

GSA's advocacy of the repeal of this requirement will not in any way adversely affect our efforts to prevent unofficial calls. As further evidence of that point, we wish to note the following efforts by GSA in this area:

1. Automatic Route Selection: GSA has successfully reduced the number and total cost of commercial long-distance calls for the Washington, DC, metropolitan area by implementing a technological control known as Automatic Route Selection (ARS). This feature automatically transfers traffic from the commercial network to the FTS intercity network whenever possible. Electronic telephone switchboards are used to screen commercial long-distance calls when dialed and are then transferred to the more economical FTS intercity network. GSA is replacing all of its consolidated telephone switches across the country. GSA further notes that new equipment also will have ARS.

2. Exception reporting: GSA believes that the use of exception reports would be a more cost-effective management technique to control the utilization of Government long-distance telecommunications services. Such reports would be an integral part of a Call Detail Program. This procedure would allow agencies to verify a sample of calls placed from the FTS intercity network. In October 1987, GSA will begin furnishing FTS data to agencies monthly either on magnetic tape or, for small agencies, on paper.

In short, we believe that enactment of this proposal is appropriate because it is consistent with management improvement recommendations made by the recent audit report by the President's Council on Integrity and Efficiency, and because its enactment will not prejudice continuing efforts by GSA and other agencies, through alternative existing mechanisms, to establish controls over commercial long-distance calls.

The Office of Management and Budget has advised that, from the standpoint of the program of the President, there is no objection to the submission of this legislative proposal.

Respectfully,

Terence C. Golden

The Honorable
George Bush
President of the Senate
Washington, DC 20510

Enclosure

A BILL

To remove the requirement that long-distance telephone bills be certified by agency heads.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1348(b) of title 31, United States Code, is repealed.